

NRI INVESTMENTS



PRESENTATION INDEX

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PRESENTATION INDEX

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Investment Rationale for NRI in present times



Why should someone invest in India in present times ?



Impact of COVID – 19 on India

Sr. No.	Country	Population (million)	Active Cases	Death
1	United States	331	1631391	134862
2	Brazil	213	530219	68055
3	United Kingdom	68	242462	44517
4	Italy	60	13595	34914
5	France	65	61523	29965
6	Spain	47	271197	28396
7	India	1380	271354	21144
8	Iran	84	26832	12084
9	Russia	146	217614	10667
10	Germany	84	6950	9115
11	Canada	38	27450	8737
12	Turkey	84	16145	5282
13	China	1439	390	4634

(08th July 2020) Source :<https://www.worldometers.info/world-population/population-by-country/>

Indian strategy on Corona seems working till date.

Impact of COVID – 19 on India

India has been impacted due to lockdown, but Bharat (Non – Urban India) has a very limited impact.

✓ Cases of COVID 19.

<u>Urban</u>	-	High
<u>Semi Urban</u>	-	Few
<u>Rural</u>	-	Very few

- ✓ Rural economy has been a growth driver on account of spending in Rural India (Bharat) by Government.
- ✓ Agricultural & Industrial activities more in semi urban & rural areas.

Indian Economy driven by captive consumption

- ✓ There is a fear that global trade will slow down.
Share in global trade -
 - China : 17 %
 - India : 2.6 %
- ✓ India is a domestic consumption driven economy.
- ✓ Indian economy is a developing economy with a large aspiring middle class hence:
 - Consumption of basic necessities – Higher side
 - Ostentatious expenditure – Quite lower

State of the Economy

✓ Crude oil prices had declined, now rising.

Prices of other commodities also on a rise.

Price of Brent crude in US \$

2016	2017	2018	2019	2020	02-02-2021
40.8	52.5	69.8	64.1	51.8	57.01

India's annual crude import bill (2019 – 20) : 101.376 \$ bn.

India is more than 80% dependent on crude imports.

Source : www.in.investing.com

Source : www.ppac.gov.in

State of the Economy

✓ GDP growth severely impacted due to COVID pandemic.

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (estimated)
8.00%	8.30%	7.00%	6.10%	4.20%	-7.5%

GDP growth for the Year 2021-22 estimated between 7.7% to 8.3%.

State of the Economy

✓ Consumer Price Index (CPI) Inflation

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (estimated)
Change	4.90%	4.50%	3.60%	3.40%	4.76%	6.62%

Inflation on a rise

State of the Economy

✓ Interest rates in the top 20 economies of the world

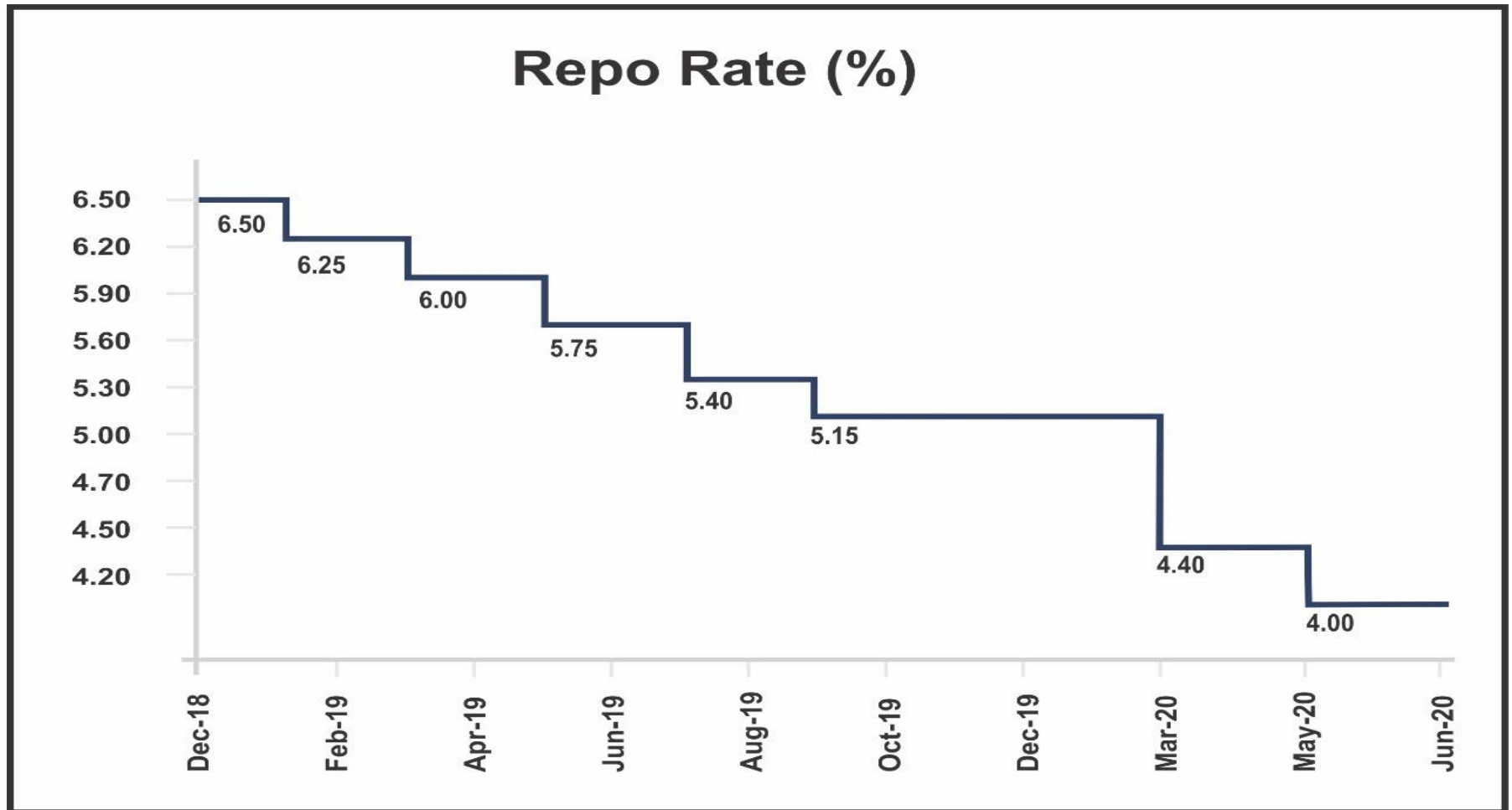
Rank	Country	Interest %
1	Turkey	17
2	Mexico	4.25
3	Russia	4.25
4	India	4
5	China	3.85
6	Indonesia	3.75
7	Brazil	2
8	Saudi Arabia	1
9	Italy	0.58
10	South Korea	0.5

Rank	Country	Interest %
11	United States	0.25
12	Canada	0.25
13	Australia	0.1
14	United Kingdom	0.1
15	Spain	0.04
16	Japan	-0.1
17	France	-0.34
18	Netherlands	-0.55
19	Germany	-0.62
20	Switzerland	-0.75

Source : www.cbrates.com

Interest Rates

Low cost of funds to benefit India



State of the Economy

✓ Forex Reserves (\$ Bn.)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
360	370	425	413	475.6	584.24*

Source: <https://tradingeconomics.com/india/foreign-exchange-reserves>

* As on 15-Jan-2021

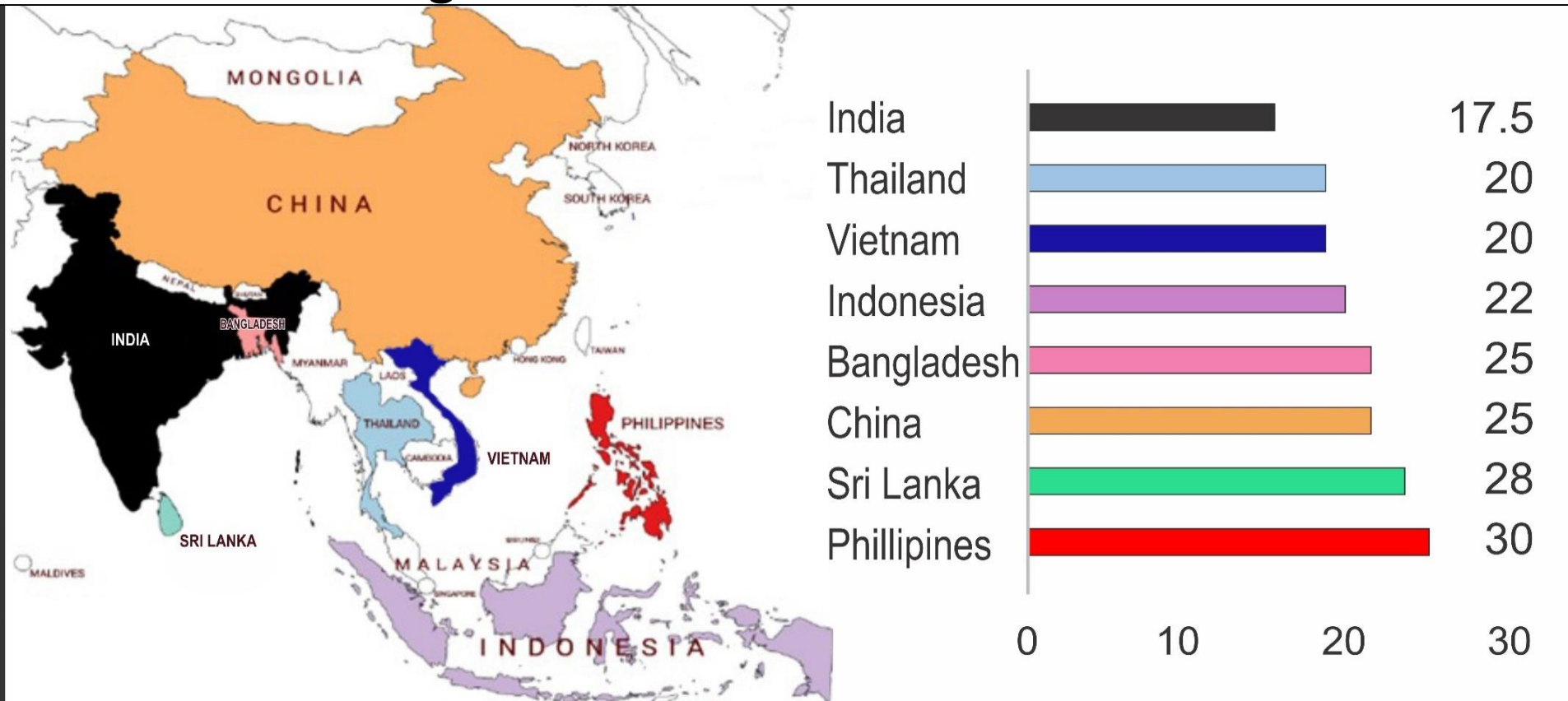
Healthy Forex Reserves

The new economic order

- ✓ Shift of manufacturing dependence from China. India reaching out to prospective countries & specific companies.
- ✓ Labour laws relaxed for new manufacturing in India.
- ✓ Land earmarked by the State Governments for industries shifting from China.

The new economic order

✓ Globally competitive rates of taxation for new manufacturing entities in India.



Source: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-corporate-tax-rates.pdf>

www.ashutoshfinserv.com

State of the Economy

✓ Stock Market Performance 02/01/2020 to 01/02/2021

Rank	Country	Change in %
1	China – Shanghai Composite	56.4
2	Korea - KOSPI	46.13
3	USA Nasdaq	44.54
4	Turkey - BIST 100	25.16
5	India - Sensex	24.41
6	Japan - NIKKEI 225	23.35
7	Netherlands – AEX	9.28
8	Russia – MOEX	7.17
9	Saudi Arabia – Tadawul All Share	6.6
10	Germany – DAX	4.42
11	Indonesia - IDX	3.09

Rank	Country	Change in %
12	Brazil – Bovespa	2.52
13	Canada - S&P/TSX Composite	1.8
14	Switzerland – SMI	0.71
15	Australia - S&P/ASX 200	-2.32
16	Mexico -S&P/BMV IPC	-2.55
17	France - CAC 40	-6.36
18	Italy - FTSE MIB	-6.97
19	U K - FTSE 100	-11.74
20	Spain - IBEX	-17.08

Source : www.investing.com

State of the Economy

✓ Assured flows from Domestic Investors.

Month	Mutual Funds SIP flows / Month (Rs. Cr.)
March – 2017	4,335
March – 2018	7,119
March – 2019	8,055
March – 2020	8,641
December – 2020	8,418

That is Rs. 1,01,016/- (8,418 X 12) Crores annually.

State of the Economy

Foreign Institutional Investment (FII)

V/s.

Domestic Institutional Investments (DII)

Year	2015	2016	2017	2018	2019	2020
FII	- 20373	- 10582	- 44108	-73212	44151	65246
DII	67586	35362	90738	109661	42257	- 35663

Source: www.moneycontrol.com

State of the Economy

✓ Exchange Ratio – Stable



2014 – 15	2015 – 16	2016 – 17	2017 – 18	2018 – 19	2019 – 20	2020 – 21*
62.27	66.26	64.81	65.04	69.44	75.33	73.12

Rs. 10.85 depreciation

Just 2.79% depreciation CAGR in 6 years.

* As on 01 Feb. 2021

Source: www.exchange-rates.org

What can go wrong ?

- ✓ Growth rate, Inflation & Government Finances would be in trouble, if COVID-19 continues to impact longer.
- ✓ Inadequate government support to the economy.
- ✓ Financial sector is damaged on account of intervention by the government at appropriate places.

Various investment options in India for NRI – understanding its Pros & Cons



Various investment options in India for NRI – understanding its Pros & Cons

Debt based options (Fixed Income)

FDs with SBI Bank as on 01-02-2021

Duration	NRE	NRO	FCNR			
			GBP	USD	EURO	YEN
1 year to less than 2 years	5.0	5.0	0.52	0.73	0.01	0.02
2 years to less than 3 years	5.10	5.10	0.54	0.74	0.01	0.05
3 years to less than 4 years	5.30	5.30	0.61	0.76	0.01	0.05
4 years to less than 5 years	5.30	5.30	0.67	0.88	0.10	0.05
5 years to 10 years	5.40	5.40	0.71	0.98	0.15	0.05

Investment	Taxation levy in India	TDS Rate
NRO Interest	At slab rates	30% (U/s. 195 - Any other income) Subject to DTAA Benefits
NRE Interest	Tax Free	Tax Free
FCNR Interest		

Various investment options in India for NRI – understanding its Pros & Cons

Debt based options (Fixed Income)

FDs with ICICI Bank as on 01-02-2021

Duration	NRE	NRO	FCNR			
			GBP	USD	EURO	YEN
1 Year	4.90%	4.90%	0.25	0.45	-	0.01
Above 1 year to less than 2 years	4.90%	4.90%	0.35	0.47	-	0.01
2 years to less than 3 years	5.15%	5.15%	0.16	0.53	-	NA
3 years to less than 5 years	5.35%	5.35%	0.22	0.65	-	NA
5 years to 10 years	5.50%	5.50%	0.28	0.78	-	NA

Investment	Taxation levy in India	TDS Rate
NRO Interest	At slab rates	30% (U/s. 195 - Any other investment) Subject to DTAA
NRE Interest	Tax Free	Tax Free
FCNR Interest		

Various investment options in India for NRI – understanding its Pros & Cons

Debt based options – NRO FD with NBFC

FDs with Housing Development Finance Corporation (HDFC) as on 01-02-2021

Duration	Monthly Option	Quarterly Option	Half - Yearly Option	Annual Option	Cumulative Option
1 year to less than 2 years	5.45%	5.50%	5.55%	-	5.65%
2 years to less than 3 years	5.45%	5.50%	5.55%	5.65%	5.65%
3 years to less than 5 years	5.75%	5.80%	5.85%	5.95%	5.95%
5 years to 7 years	5.85%	5.90%	5.95%	6.05%	6.05%

(Extra 0.25% for senior citizens)

Investment	Taxation levy in India	TDS Rate
NRO Interest	At slab rates	30% (U/s. 195 - Any other income) Subject to DTAA Benefits

Various investment options in India for NRI – understanding its Pros & Cons

Debt based options – NRO FD with NBFC

FDs with Bajaj Finance Ltd. as on 01-02-2021

Period (Months)	Monthly Option	Quarterly Option	Half - Yearly Option	Annual Option	Cumulative Option
1 year to less than 2 years	5.98%	6.01%	6.06%	6.15%	6.15%
2 years to less than 3 years	6.41%	6.44%	6.49%	6.60%	6.60%
3 years to less than 5 years	6.79%	6.82%	6.88%	7.00%	7.00%

(Extra 0.25% for senior citizens)

Investment	Taxation levy in India	TDS Rate
NRO Interest	At slab rates	30% (U/s. 195 - Any other income) Subject to DTAA Benefits

Various investment options in India for NRI – understanding its Pros & Cons

Debt based Mutual Funds

<u>Sr. No</u>	<u>Scheme Name</u>	<u>Modified Duration</u>	<u>1 YR</u>	<u>3 Yr</u>	US / CANADA			AFRIC A
		(in days)	(in %)	(in %)	POA	DECLARATION /FATCA	SIP /STP	
1	Kotak Banking and PSU Debt Fund Regular Plan	2.84 Y	12.26	7.99	✓	DECLARATION	✓	✓
	Rolling returns-Maximum	----	12.66	10.07	----			
	Rolling returns-Minimum	----	2.12	4.16				
	Quartile		2	1				
2	HDFC Corporate Bond Fund (Medium Term Opportunities Fund) Merges	3.10 Y	11.72	7.88	✓	DECLARATION	×	✓
	Rolling returns-Maximum		13.16	11.1	----			
	Rolling returns-Minimum		3.65	7.39				
	Quartile		2	1				
3	IDFC Credit Risk Fund (IDFC Credit Opportunities Fund) - Regular Plan	2.07 Y	9.68	-	✓	DECLARATION	×	✓
	Rolling returns-Maximum		9.21	-	----			
	Rolling returns-Minimum		2.94	-				
	Quartile		1	-				

Various investment options in India for NRI – understanding its Pros & Cons

Debt based Mutual Funds

Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
1. UNLISTED Securities	Period of holding less than 2 years (unlisted shares) / 3 years (unlisted securities/mutual funds) –	30% (U/s. 195)
2. UNLISTED Shares	Short Term Capital Gain. At Slab rates without Indexation	
3. UNLISTED Non Equity based Mutual Fund Investments	Period of holding more than 2 years (unlisted shares) / 3 years (unlisted securities/mutual funds)– Long Term Capital Gain. (Without giving effect of any foreign currency fluctuation) -- Capital gain @ 10% without Indexation benefit. U/s. 112(1)(C)(iii)	10% (U/s. 195)

Various investment options in India for NRI – understanding its Pros & Cons

Debt based Mutual Funds

Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
LISTED Non Equity based Mutual Fund Investments	Period of holding less than 3 years– Short Term Capital Gain. At Slab rates without Indexation	30% (U/s. 195)
	Period of holding more than 3 years– Long Term Capital Gain. (Without giving effect of any foreign currency fluctuation) -- Capital gain @ 20% with Indexation benefit. U/s. 112(1)(C)(ii)	20% (U/s. 195)

Taxation of various Indian Incomes & TDS for NRI

Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
Other listed securities (Bonds, debentures, etc.)	Period of holding less than 1 year – Short Term Capital Gain. At slab rates	30% (U/s. 195)
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 20% with Indexation. U/s. 112(1)(C)(ii) OR Capital gain @ 10% without Indexation. (U/s. 112(1)(C)(iii)). (Whichever is beneficial to the assessee)	20% (U/s. 195) OR 10% (U/s. 195)

Various investment options in India for NRI – understanding its Pros & Cons

Debt based options

Public Provident Fund (PPF)

- ✓ NRI are not allowed to open PPF account in India.
- ✓ If the PPF account is opened as resident status and later became NRI, they are allowed to make contribution to the account and continue that account up to maturity.
- ✓ On Maturity, the NRI have to compulsorily close the account.
- ✓ The income generated (interest income) from PPF investment is fully Tax Free.
- ✓ Changes in PPF Scheme on 03/10/2017 has been revoked vide Notification No. 01/10/2016 – NS. Ministry of Finance Dt. 23/02/2018.

Various investment options in India for NRI – understanding its Pros & Cons

Debt based options

CONCEPT OF REAL RETURN ON INVESTMENTS

	India	USA	UK
Rate of Return on Fixed Deposit / CD	5.40%	0.54%	1.15%
NOMINAL RATE			
Less : Inflation in respective economy (CPI)	4.59%	1.40%	0.60%
REAL RATE OF RETURN	0.81%	-0.86%	0.55%

Source: www.moneyrates.com

Source: www.sbi.co.in

Source: www.trandingeconomics.com

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

WHAT ARE THE RETURN EXPECTATIONS ON INVESTMENTS IN INDIAN EQUITY ?

	In %
Rate of GDP Growth (Average real growth of the country during the investment period)	4.00 %
Add : Inflation (Average inflation)	4.50%
Add : Outperformance by stock / companies in which we invest	2.00 %
Total	10.50 %

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Notification No. FEMA. 395/2019-RB

Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Direct Equity investments – Repatriable Basis

- ✓ Buying and selling of stocks (including IPO) through from NRE – PIS Account.
- ✓ Purchase and sale through banks only.
- ✓ Shares can be held with any depository, provided the bank is agreeable to such arrangement.
- ✓ The investment should be within the specified caps in each company, sector, etc. and cannot be in companies engaged in prohibited sectors.
- ✓ Shares acquired as Resident Indian can be held in Non – PIS Account.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Notification No. FEMA. 395/2019-RB

Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Direct Equity investments- Non Repatriable Basis

- ✓ **Investment from NRO bank A/c (NRE-PIS not required).**
- ✓ **Purchase and Sale through any broker (including IPO).**
- ✓ **Shares can be held with any depository.**
- ✓ **Investment cannot be in companies engaged in prohibited sectors- Agriculture/Plantation, Real Estate, etc.**

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Direct Equity investments – on resident becoming NRI

- ✓ As per section 6(5) of FEMA, 1999 investments can be continued to be owned by a NRI, if they were acquired when the person was a resident.
- ✓ Investments status in the Demat account should be updated as 'Non Resident' and should be linked to the NRO bank A/c.

Various investment options in India for NRI – understanding its Pros & Cons

Investment/Trading in Derivatives by NRI

Foreign Exchange Management (Non-debt Instruments) Rules, 2019
SCHEDULE III

- ✓ NRI can invest/trade in stock or currency derivatives as well as right/bonus shares.
- ✓ Transactions on non-repatriable basis with NRO bank account.
- ✓ No caps on currency derivatives. However, there are caps on stock derivatives.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Direct Equity investments

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Equity Investments	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A).

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity based Portfolio Management Service (PMS)

- ✓ Investment in a portfolio of Equity Shares.
- ✓ Diversification of stocks.
- ✓ Taxation when shares are transferred. No notional tax in US.
- ✓ Choice of portfolio options and also choice of fund manager is available as per specific needs.
- ✓ PMS portfolio unimpacted by inflow & outflow of other investors.
- ✓ Limited restrictions on fund management.
- ✓ Minimum investment size Rs. 50,00,000/-.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity based Portfolio Management Service (PMS)

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Equity Investments (PMS route).	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A).

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

- ✓ Professional fund management.
- ✓ Diversification of stocks.
- ✓ Ease of operations – no requirement of any Demat Account.
- ✓ Taxation only when units are transferred. Notional taxation in US under PFIC.
- ✓ Wide choice of options suited to specific needs.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Mutual Fund Investments (Equity Oriented).	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A).

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

Change of scene with standardisation of different funds by SEBI. Now all Asset Management Companies (AMC) / Mutual Funds Houses will have to pursue the following standardisation only :

Equity Oriented Funds
Investments in Equity (stock market) based instruments.

Hybrid Funds
Combination of Equity (stock market) and Debt (fixed Income) based instruments.

Debt Funds
Investments in Debt based (bonds, govt. securities) instruments.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
1	Large Cap
	(Min. investment in Equity 80% of Large Cap Companies)
	*Large Cap - 1st - 100th Company in terms of full market capitalization
2	Large & Mid Cap
	(Min. investment in Equity 35% of Large Cap Companies & 35% of Mid Cap Stocks)
3	Focused Fund
	(Scheme focused on the number of stocks maximum 30)
4	Flexi Cap
	(Min. Investment in 65% Equity across Large Cap, Mid Cap & Small Cap)
5	Mid Cap
	(Min. Investment in 65% Equity across Mid Cap Companies)
	*Mid Cap - 101st - 250th Company in terms of full market capitalization

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
6	Small Cap
	(Min. Investment in 65% Equity across Small Cap Companies)
	*Small Cap - 251st Company onwards in terms of full market capitalization
7	Dividend Yield Fund
	(Scheme should predominantly invest in dividend yielding stocks)
8	Value Fund
	(Scheme should follow a value investment strategy)
9	Contra Fund
	(Scheme should follow a contrarian investment strategy)
10	Sectoral
	Equity – FMCG
	Equity - Pharma & Healthcare
	Equity – Banking

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
11	Index Fund
12	Exchange Traded Fund
13	ELSS (Eligible for deduction U/s. 80 C of the Income Tax Act)
14	Thematic
	Equity – Technology
	Equity – Infrastructure
	Equity – International
	A. USA
	B. Euro
	C. Asia
	D. Global

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
15	Equity – Others
	MNCs
	India Gen Next
	Natural Resources & New Energy
	India Consumer
	India Lifestyle Fund
	Diversified Power Sector
	Rural India
	Transportation and Logistics
	Export and Other Services
16	FOFs
	(Minimum Investments in the underling Funds-95% of Total Assets)

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Mutual Funds with Equity

Sr. No.	Hybrid Scheme & Underlying Assets
1	Balanced Hybrid Fund
	(Equity = 40% to 60% , Debt = 40% to 60% & No arbitrage)
2	Aggressive Hybrid Fund (old Balanced Fund)
	(Equity = 65% to 80% & Debt = 20% to 35%)(% of Equity on Fund Manager Model Based)
3	Equity Savings Fund
	(Min. 65% Equity Equity related instruments of total assets & min. investment in debt 10% of total assets. Hedged & unhedge to be stated in the SID)
	(Mostly 30 to 65% Equity & 35 to 70% Debt)
4	Dynamic Asset Allocation or Balanced Advantage
	(Equity/debt that is managed dynamically)

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Mutual Funds with Equity

Sr. No.	Hybrid Scheme & Underlying Assets
5	Conservative Hybrid Fund
	(Equity = 10% to 25% & Debt = 75% to 90%)
6	Hybrid Multi Asset Allocation
	(Min. allocation of at least 10% each in all three asset classes.)
7	Arbitrage Fund
	(Scheme following arbitrage strategy in equity & equity related instrument 65% of total assets.)
	(Taxation till 1 year 15% Above 1 year 10%)
8	Retirement Fund
9	Children's Fund

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

- ✓ Each Asset Management Company (AMC) have different approach, towards the investments.
 - Growth approach – High PE (Expensive) stocks.
 - Value / Contra approach – Turnaround stocks – less expensive but uncertain.
 - Sector approach – putting larger stress on some sectors.
 - Concentration – Some stocks & sectors get bigger bets.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Equity oriented Mutual Funds

In times to come, rather than, just making investments in mutual funds, it is very important to build an Investment Portfolio and reviewing it from time to time.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options Alternate Investment Funds (AIF)

TYPE	CATEGORY I	CATEGORY II	CATEGORY III
Criteria	<ul style="list-style-type: none"> * Infra, Social, Non-banked Credit for SME *Special incentives provided by the government *Invest in start ups or early stage ventures or social ventures * Socially or economically desirable areas 	<ul style="list-style-type: none"> * Residual category of funds, invested primarily in unlisted securities 	<ul style="list-style-type: none"> * Funds which are liquid / listed equities * Funds which may invest in derivatives * Funds which employ leverage for investments
Type of Funds	<ul style="list-style-type: none"> *Venture Capital Funds *SME Funds *Social Venture Funds *Infrastructure Funds 	<ul style="list-style-type: none"> Private Equity Funds *Debt Funds *Fund of Funds *Other Funds (like Real Estate funds) not classified under the other two categories 	<ul style="list-style-type: none"> *Long Only Equity Funds *Long Short Equity Funds
Cons	<ul style="list-style-type: none"> *Close ended *Not allowed to leverage *Specific Investment restrictions for each sub type 	<ul style="list-style-type: none"> ***Close ended *Not allowed to leverage *No restrictions on asset allocation" 	<ul style="list-style-type: none"> * Open or close ended * Leveraging is allowed up to 2x * No restrictions on asset allocation
Taxation	*Pass through	*Pass through	*Fund level

✓ Minimum investment Rs. 1,00,00,000/-.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

Exchange Traded Funds (ETF)

- ✓ Mutual Funds traded on the stock exchange mirroring a specific stock composition or benchmark.
- ✓ A passive fund management option.
- ✓ Presently limited choice, as only very few different types of ETF traded in India.

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options Exchange Traded Funds (ETF)

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Exchange Traded Funds (Equity Oriented).	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A).

Various investment options in India for NRI – understanding its Pros & Cons

Equity based options

National Pension Scheme (NPS)

- ✓ Any citizen of India (including NRI), between the age of 18 to 60 years can subscribe to the NPS.
- ✓ The fund built out of contribution & return on the same will be used to pay pension to the subscriber after 60 years of age.
- ✓ Wide choice of investment of funds – from Equity oriented, Debt oriented and Hybrid option.
- ✓ Pension is taxable in the hand of recipient as per the tax slab.

Various investment options in India for NRI – understanding its Pros & Cons

Real Estate Investments

- ✓ NRI / OCI may acquire / transfer immovable property in India other than agriculture land / plantation property or a farm house out of repatriable and / or non – repatriable funds through NRE or NRO bank account.
- ✓ The payment of purchase price, if any, should be made out of
 - funds received in India through normal banking channels by way of inward remittance from any place outside India or

Various investment options in India for NRI – understanding its Pros & Cons

Real Estate, (REITs) & InvITs Real Estate

- ✓ Investments can be in Raw Real Estate like Urban land, Agricultural land etc.
- ✓ Investment can be in Finished Real Estate like Residential buildings, Apartments, Shops, Offices etc.
- ✓ Development of infrastructure in the country, changing the Real Estate demand supply scenario.
- ✓ Reduction in the cash economy in the country, impacting the demand of Real Estate.

Various investment options in India for NRI – understanding its Pros & Cons

Real Estate (REITs) & InvITs

REITs

- ✓ First REITs (Real Estate Investment Trusts) offering successfully done, listed in April – 2019.
- ✓ Real Estate assets are offered on sale in the form of units.
- ✓ Units are listed on the stock exchange.
- ✓ Appreciation in the value of units and Income distribution per unit, are the return on investments.

Various investment options in India for NRI – understanding its Pros & Cons

Real Estate, (REITs) & InvITs InvITs

- ✓ InvITS (Infrastructure Investment Trust) units offerings have been made available for public.
- ✓ Infrastructure Assets like Road, Highways, Power Assets are offered on sale in the form of units.
- ✓ Units are listed on the stock exchange.
- ✓ Appreciation in the value of units and Income distribution per unit, are the return on investments.

Various investment options in India for NRI – understanding its Pros & Cons

✓ The taxability in case of REITs or InVITs for NRI

Tax on unit holder	
Income	Tax Rate
Dividend from SPV if Tax paid Normal Rate (25% / 30%)	-
Dividend from SPV if Tax paid Concessional Rate (22%)	10%
Interest from SPV	5%

Various investment options in India for NRI – understanding its Pros & Cons

✓ The taxability in case of REITs or InVITs for NRI

Tax on unit holder		
Income	Unit holders	
	Taxability	Tax Rate
Rental Income of REITs	Taxable	Normal Rate
Rental Income of InvITs	Exempt	---
Capital Gain	Exempt	
Any other income	Exempt	

Various investment options in India for NRI – understanding its Pros & Cons

Guaranteed Return Insurance Plan

- ✓ Premium is paid for a term of 5, 10, 15 installments and maturity proceeds are received after a term in a fixed pre-decided manner.
- ✓ The guaranteed payment is in a manner that the IRR (Internal Rate of Return) turns up at 5-6% over the tenure of the policy.
- ✓ The life cover of the insured extends up to beginning of the maturity proceeds.

The insurance premium paid is eligible for deduction under section 80C of the Income Tax Act up to Rs.1.50

er year.

Various investment options in India for NRI – understanding its Pros & Cons

Term Plan

- ✓ Term insurance is the simplest and purest form of life insurance.
- ✓ Every term plan has critical illness riders, i.e. waiver of premium payments on happening of specified illness.
- ✓ Term insurance is available with many options, such as return of premium, insurance with add on cover of
- ✓ accidental benefits, etc.

The insurance premium paid is eligible for deduction under section 80C of the Income Tax Act up to Rs.1.50

per year.

Various investment options in India for NRI – understanding its Pros & Cons

Unit Linked Insurance Plan (ULIP)

- ✓ Unit Linked Insurance Plan (ULIP) in its improved form with very low cost comparable to mutual funds.
- ✓ Insurance cover, at least 10 times, of 1st year's premium, making all incomes from this plan completely tax free. The contribution every year are eligible for deduction U/s. 80 C.

Various investment options in India for NRI – understanding its Pros & Cons

Unit Linked Insurance Plan (ULIP)

- ✓ Various investment options like Equity, Debt, Hybrid, etc. available as per the investor's need and can be switched within the option, without tax implication in India. This mechanism ensures a very good return at the time of maturity.

Systematic withdrawal is allowed after 5 years, which can be used for monthly needs. This can work as a Pension Plan.

Various investment options in India for NRI – understanding its Pros & Cons

Unit Linked Insurance Plan (ULIP)

- ✓ Five year pay is compulsory.
- ✓ Policy can continue after 5 years, if policy holder desires.
- ✓ Partial withdrawal of 20% of Fund Value is allowed.
- ✓ Fund value or Insurance amount, whichever is higher, is receivable at the time of death.

Various investment options in India for NRI – understanding its Pros & Cons

Unit Linked Insurance Plan (ULIP)

Pre-Requisites

- ✓ Eligible age between 1 day to 55 years. NRI can also take this insurance.
- ✓ It is convenient for and individual to apply for the insurance during visit to India.
- ✓ The individual should have appropriate income.
- ✓ If the premium is paid from NRE A/c, maturity proceeds can be credited to NRE A/c.

Various investment options in India for NRI – understanding its Pros & Cons

Taxation of Life Insurance Policy in India

- ✓ The sum assured received by the nominee (beneficiary) for any life insurance policy on death/terminal illness of the insured is exempt under section 10(10D) of the Income Tax Act irrespective of the premium paid or any other factor.
- ✓ The maturity sum received by the insured is exempt if the premium for EVERY YEAR (including top up premium) during the tenure of the policy is NOT EXCEEDING 10% of the sum assured as per the policy to the insured person.

Various investment options in India for NRI – understanding its Pros & Cons

Taxation of Life Insurance Policy in India

- ✓ In any other cases, the income (sum received less total premium paid over the years) is TAXABLE under the slab rates applicable to that individual.
- ✓ If the maturity proceeds of the insurance policy (exceeding Rs.1 lakh) are taxable, tax is liable to be deducted at source (TDS) by the Insurance company under section 194DA at the rate of 1% on the income portion of the policy maturity proceeds. Credit for that can be claimed while filing the tax returns.

Various investment options in India for NRI – understanding its Pros & Cons

Insurance for Assets in India

- ✓ Insurance for all physical assets such as vehicles, immovable property, etc. held in India should be obtained in India by NRI.
- ✓ Such insurance will cover risks associated with fire, accident, certain natural calamities, etc.
- ✓ Premium payment and processing for insurance can be done online in a seamless manner.

Comparison of various investment options in India for NRI



Q1 a. What are the similarities for investment by NRI between a Mutual Fund and a Portfolio Management Service (PMS)?

- | | |
|----|--|
| 1. | <p><u>Taxation in India</u>
On each sale -
Short term gain : 15.60%
Long term gain : 10.40%
On dividend income – 20.80%</p> <p><u>Taxation in foreign country:</u>
Taxation shall arise only at the <u>time of sale</u> of the portfolio and on <u>dividend incomes</u>.
(For U.S.A. tax residents, on notional basis every year considering the <u>Passive Foreign Investment Corporation (PFIC)</u> regulations in Form 8621.)</p> |
|----|--|

Q1 b. What are the differences for investment by NRI in a Mutual Fund and Portfolio Management Services (PMS)?

Equity based Mutual Fund		Equity based PMS	
1.	<p><u>Operational formalities</u></p> <p><u>While starting:</u></p> <p>Online processing possible since there is no requirement of opening any account.</p> <p><u>While transacting:</u></p> <p>Online transactions possible seamlessly except for U.S.A. & Canada based tax residents.</p>	1.	<p><u>Operational formalities</u></p> <p><u>While starting:</u></p> <p>Physical processing mandatory (including notarisation) which can be done abroad or in India.</p> <p>Requirement of opening a <u>PIS Account</u>.</p> <p><u>While transacting:</u></p> <p>Physical processing mandatory for withdrawals but additional investments are possible online.</p>

Q1 b. What are the differences for investment by NRI in a Mutual Fund and Portfolio Management Services (PMS)?

Equity based Mutual Fund		Equity based PMS	
2.	<p><u>Restrictions:</u></p> <p><u>On accepting funds:</u> Restriction on acceptance of funds by certain Asset Management Companies (AMCs) for investments of U.S.A. & Canadian tax residents.</p> <p><u>On the fund management:</u> Restrictions on individual stock limits and the mandate as per the type of fund (E.g. Multicap, Midcap, etc.)</p>	2.	<p><u>Restrictions:</u></p> <p><u>On accepting funds:</u> Sectoral and company specific caps for NRI (Only on repatriable basis).</p> <p><u>On the fund management:</u> Restriction only on the mandate as per the type of fund (E.g. Multicap, Midcap, etc.)</p>

Q1 b. What are the differences for investment by NRI in a Mutual Fund and Portfolio Management Services (PMS)?

Equity based Mutual Fund		Equity based PMS	
3.	<u>Minimum Investment:</u> <u>Initial</u> Rs. 500 <u>Additional:</u> Rs.1	3.	<u>Minimum Investment:</u> <u>Initial</u> Rs. 50 lakhs <u>Additional:</u> Rs. 1 lakh
4.	<u>Impact on Inflow or outflow of investment:</u> Inflows or outflows by other investors has an <u>impact on the overall investment corpus.</u>	4.	<u>Impact on Inflow or outflow of investment:</u> There is <u>no impact</u> of transactions of other investors on the <u>overall investment corpus.</u>

Q1 b. What are the differences for investment by NRI in a Mutual Fund and Portfolio Management Services (PMS)?

Equity based Mutual Fund		Equity based PMS	
5.	<p><u>Suitability:</u></p> <p>Suitable for investors:</p> <ul style="list-style-type: none"> • Willing to invest <u>smaller amounts</u>. • Willing to pass the task of investment management to <u>professional fund managers</u>. 	5.	<p><u>Suitability:</u></p> <p>Suitable for investors:</p> <ul style="list-style-type: none"> • Willing to invest <u>higher amounts</u> (Rs.50 lakhs). • Willing to pass the task of investment management to <u>professional fund managers</u>.

Q2 – a. What are the similarities for investment by NRI between Direct Stocks and Portfolio Management Services (PMS)?

- 1. The underlying investment is into equity oriented shares of Indian companies.**
- 2. Taxation in India:**
On each sale -
Short term gain : 15.60%
Long term gain : 10.40%
On dividend income – 20.80%.

Taxation in foreign country:
Liability for taxation shall arise only at the time of sale of the portfolio and on dividend incomes.
(In case of PMS, for U.S.A. tax residents, on notional basis every year considering the Passive Foreign Investment Corporation (PFIC) regulations in Form 8621.)

Q2 - b. What are the differences for investment by NRI between Direct Stocks and Portfolio Management Services (PMS)?

Direct Stocks	Equity based PMS
<p>1. <u>Operational formalities</u> <u>While starting:</u> Physical processing mandatory which can be done outside/in India. Requirement of opening a <u>PIS Account</u> (On repatriable basis through NRE bank account). Requirement of opening a <u>PIS Account</u> (On non-repatriable basis through NRO bank account).</p> <p><u>While transacting:</u> Online transactions possible.</p>	<p>1. <u>Operational formalities</u> <u>While starting:</u> Physical processing mandatory (including notarisation) which can be done abroad or in India. Requirement of opening a <u>PIS Account</u>.</p> <p><u>While transacting:</u> Physical processing mandatory for withdrawals but additional investments are possible online.</p>

Q2. What are the differences for investment by NRI between a Direct Stocks and a Portfolio Management Service (PMS)?

Direct Stocks		Equity based PMS	
2	<p><u>Restrictions:</u></p> <p><u>On accepting funds:</u> Sectoral and company specific caps for NRI (Only on repatriable basis).</p> <p><u>On the fund management:</u> Fund management is as per the discretion of the respective investor.</p>	2	<p><u>Restrictions:</u></p> <p><u>On accepting funds:</u> Sectoral and company specific caps for NRI (Only on repatriable basis).</p> <p><u>On the fund management:</u> Restriction only on the mandate as per the type of fund (E.g. Multicap, Midcap, etc.)</p>
3	<p><u>Minimum Investment:</u> Depending upon the value & quantity of stocks.</p>	3	<p><u>Minimum Investment:</u> Rs. 50 lakhs</p>

Q2. What are the differences for investment by NRI between a Direct Stocks and a Portfolio Management Service (PMS)?

Direct Stocks		Equity based PMS	
4	<p><u>Suitability:</u></p> <p>Suitable for investors:</p> <ul style="list-style-type: none">• With ability to <u>manage time zone difference.</u>• Devote extensive <u>time & efforts</u>• Having <u>knowledge of financial markets.</u>	4	<p><u>Suitability:</u></p> <p>Suitable for investors:</p> <ul style="list-style-type: none">• Willing to invest <u>higher amounts</u> (Rs.50 lakhs).• Willing to pass the task of investment management to <u>professional fund managers.</u>

Q3. What are the differences for investment by NRI between a Mutual Fund and Direct Stocks?

Equity based Mutual Fund		Direct Stocks	
1.	<p><u>Operational formalities</u></p> <p><u>While starting:</u></p> <p>Online processing possible since there is no requirement of opening any account.</p> <p><u>While transacting:</u></p> <p>Online transactions possible seamlessly except for U.S.A. & Canada based tax residents.</p>	1	<p><u>Operational formalities</u></p> <p><u>While starting:</u></p> <p>Physical processing mandatory which can be done outside/in India.</p> <p>Requirement of opening a <u>PIS Account</u> (On <u>repatriable basis</u> through NRE bank account).</p> <p>No Requirement of opening a <u>PIS Account</u> (On <u>non-repatriable basis</u> through NRO bank account).</p> <p><u>While transacting:</u></p> <p>Online transactions possible.</p>

Q3. What are the differences for investment by NRI between a Mutual Fund and Direct Stocks?

Equity based Mutual Fund		Direct Stocks	
2.	<p><u>Taxation in India</u> On each sale - Short term gain : 15.60% Long term gain : 10.40% On dividend income - 20.80%</p> <p><u>Taxation in foreign country:</u> For U.S.A.: On notional basis every year considering the <u>Passive Foreign Investment Corporation (PFIC)</u> regulations in Form 8621.</p>	2	<p><u>Taxation in India:</u> On each sale - Short term gain : 15.60% Long term gain : 10.40% On dividend income – 20.80%.</p>

Q3. What are the differences for investment by NRI between a Mutual Fund and Direct Stocks?

Equity based Mutual Fund		Direct Stocks	
3	<u>Minimum Investment:</u> Rs. 500	3	<u>Minimum Investment:</u> Rs. 50 lakhs
4	<u>Suitability:</u> Suitable for investors: <ul style="list-style-type: none"> • Willing to invest <u>smaller amounts</u>. • Willing to pass the task of investment management to <u>professional fund managers</u>. 	4	<u>Suitability:</u> Suitable for investors: <ul style="list-style-type: none"> • With ability to manage <u>time zone difference</u>. • Devote extensive <u>time & efforts</u>. • Having knowledge of financial markets.

Q3. What are the differences for investment by NRI between a Mutual Fund and Direct Stocks?

Equity based Mutual Fund		Direct Stocks	
5	<p><u>Restrictions:</u></p> <p><u>Restrictions:</u></p> <p><u>On accepting funds:</u></p> <p>Restriction on acceptance of funds by certain Asset Management Companies (AMCs) for investments of U.S.A. & Canadian tax residents.</p> <p><u>On the fund management:</u></p> <p>Restrictions on individual stock limits and the mandate as per the type of fund (E.g. Multicap, Midcap, etc.)</p>	5	<p><u>Restrictions:</u></p> <p><u>On accepting funds:</u></p> <p>Sectoral and company specific caps for NRI (Only on repatriable basis).</p> <p><u>On the fund management:</u></p> <p>Fund management is as per the discretion of the respective investor.</p>

Q4 a. What are the similarities for investment by NRI between Active Investing and Passive Investing?

- | | |
|----|---|
| 1. | <p><u>Minimum Investment:</u></p> <p>Initial: Rs. 500</p> <p>Additional: Rs.1</p> |
| 2. | <p><u>Operational formalities</u></p> <p><u>While starting:</u></p> <p>Online processing possible since there is no requirement of opening any account.</p> <p><u>While transacting:</u></p> <p>Online transactions possible seamlessly except for U.S.A. & Canada based tax residents</p> |

Q4 a. What are the similarities for investment by NRI between Active Investing and Passive Investing?

3.	<p><u>Restrictions:</u></p> <p><u>Restrictions:</u></p> <p><u>On accepting funds:</u></p> <p>Restriction on acceptance of funds by certain Asset Management Companies (AMCs) for investments of U.S.A. & Canadian tax residents.</p> <p><u>On the fund management:</u></p> <p>Restrictions on individual stock limits and the mandate as per the type of fund (E.g. Multicap, Midcap, etc.)</p>
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Q4 b. What are the differences for investment by NRI between Active Investing and Passive Investing?

Active Investing		Passive Investing	
1.	<u>Mode of Investing</u> Through actively managed Mutual Funds or PMS or Direct Stocks.	1	<u>Mode of Investing</u> Through Index Mutual Funds or Exchange Traded Funds (ETFs).
2	<u>Suitability:</u> Suitable for investors willing to pass the task of investment to professional fund managers.	2	<u>Suitability:</u> Suitable for investors wanting to rely on index for investments.

Investment cum Insurance Strategy for NRI in India



Investment cum Insurance Strategy for NRI in India

Combination of both the options – Fixed Income investment & Life Insurance in India -

- ✓ The plan ensures a long-term fixed income investment option (Upto 20 years)
- ✓ The interest rate is at par with NRE fixed deposits and completely tax-free in India u/s 10(10D) of the Act.
- ✓ The major advantage is that there is no compliance burden in foreign jurisdiction until maturity.
- ✓ The life insurance cover till maturity proceeds begin acts as a bonus advantage.
- ✓ The plan works as an excellent combination strategy for NRI to ensure guaranteed income with life insurance.

Investment cum Insurance Strategy for NRI in India

Advantages over NRE Fixed Deposit in India

- 1. Guaranteed return for longer tenures (20 years).**
- 2. No major compliance burden in foreign jurisdiction until maturity.**
- 3. Life insurance cover of at least 10 times the premium paid until maturity proceeds begin.**
- 4. The premium is eligible for deduction u/s 80C of the Income Tax Act to the extent of Rs.1.50 lakhs per year irrespective of policy tenure.**

Capital Protection Strategy for NRI Investments in India



Capital Protection Strategy for NRI Investments in India

Best of both the worlds Debt & Equity -

Capital Protection Strategy for NRI Investments:

- ✓ **The purpose is to invest strategically by protecting the investment amount from depreciation of invested capital.**
- ✓ **To take the exposure of Equity market into investment portfolio with risk mitigation technique.**
- ✓ **Under the technique, invest 80% of the corpus in NRE Fixed Deposit of a reputed bank of India and invest 20% in Equity oriented Mutual Funds with diversified portfolio.**
- ✓ **Over the period of investment tenure investor can gain risk free return.**

Capital Protection Strategy for NRI Investments in India

Practical working of Capital Protection Strategy:

Total Investment Amount	80% Invested in NRE Fixed Deposit	20% Invested in Equity Oriented Mutual Funds
₹ 1,000,000	₹ 800,000	₹ 200,000

No. of Years	Investment in Fixed Deposit		Investment in Equity Oriented Mutual Funds		
	Year Wise Valuation on Cumulative Basis		Returns from Mutual Funds Considering below CAGR		
	(YES BANK LTD.)	(HDFC / AXIS / ICICI BANKS)			
	7.00%	5.50%	12%	0%	-100%
Year 1	₹ 856,000	₹ 844,000	₹ 224,000	₹ 200,000	₹ 0
Year 2	₹ 915,920	₹ 890,420	₹ 250,880	₹ 200,000	₹ 0
Year 3	₹ 980,034	₹ 939,393	₹ 280,986	₹ 200,000	₹ 0
Year 4	₹ 1,048,637	₹ 991,060	₹ 314,704	₹ 200,000	₹ 0
Year 5	₹ 1,122,041	₹ 1,045,568	₹ 352,468	₹ 200,000	₹ 0

Capital Protection Strategy for NRI Investments in India

Practical working of Capital Protection Strategy:

Return in the best scenario after 5 Years - 12% from Equity Market:

Investment Pockets	Yes Bank FD		HDFC / AXIS / ICICI BANKS FD	
Return on Fixed Deposit	₹ 1,122,041	CAGR	₹ 1,045,568	CAGR
Equity - Mutual Funds	₹ 352,468		₹ 352,468	
Total Valuation	₹ 1,474,510	8.1%	₹ 1,398,036	6.9%

Return in the neutral scenario after 5 Years - 0% from Equity Market:

Investment Pockets	Yes Bank FD		HDFC / AXIS / ICICI BANKS FD	
Return on Fixed Deposit	₹ 1,122,041	CAGR	₹ 1,045,568	CAGR
Equity - Mutual Funds	₹ 200,000		₹ 200,000	
Total Valuation	₹ 1,322,041	5.7%	₹ 1,245,568	4.5%

Return in the worst scenario after 5 Years - (-100%) from Equity Market:

Investment Pockets	Yes Bank FD		HDFC / AXIS / ICICI BANKS FD	
Return on Fixed Deposit	₹ 1,122,041	CAGR	₹ 1,045,568	CAGR
Equity - Mutual Funds	₹ 0		₹ 0	
Total Valuation	₹ 1,122,041	2.3%	₹ 1,045,568	0.9%

Note: CAGR = Compound Annual Growth Rate.

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Points for consideration to build a NRI Investment Portfolio



Points for consideration to built a NRI Investment Portfolio

On the basis of geographical location of NRI

NRI from Developed Markets (DMs)

(US, Canada, UK, Germany, Australia, etc.)

- ✓ Debt based option (Fixed Income) is not a worthwhile option for investment in India as the real rate of return between India and Western World is not so significant.
- ✓ Equity oriented options are attractive to participate in India growth story and diversify their investment exposure.
- ✓ Investment in the Equity oriented option through Equity oriented Mutual Funds & Portfolio Management Services (PMS), Insurance etc. are the best routes. These portfolios should be built with good quality seasoned advisors.

Points for consideration to built a NRI Investment Portfolio

On the basis of geographical location of NRI

NRI from Developed Markets (DMs)

(US, Canada, UK, Germany, Australia, etc.)

- ✓ Tax compliance in India & abroad is not difficult if you have proper Investment & Tax Advisors in India.
- ✓ Real estate in India is not advisable as they might never ever have to come back to India structurally. Managing, dealing & liquidating real estate in India is a tough task.
- ✓ Investment in India should be made with a clear mandate that it can be liquidated and repatriated from remote location and online modes.
- ✓ Every decision should be taken with a perspective that the future generation may not be comfortable for taking care of the investments and the formalities, if they are complex.

Points for consideration to build a NRI Investment Portfolio

On the basis of geographical location of NRI NRI from Emerging Markets (EMs) (UAE, Africa, etc.)

- ✓ Debt based option (Fixed Income) is worthwhile option for investment in India as that can give them security in case of any unforeseen eventualities and India is safe destination to park funds.
- ✓ Equity oriented options are attractive to participate in India growth story and diversify their investment exposure.
- ✓ Investment in the Equity oriented option through Equity oriented Mutual Funds & Portfolio Management Services (PMS), Insurance etc. are the best route. These portfolios should be built with good quality seasoned advisors.

Points for consideration to built a NRI Investment Portfolio

On the basis of geographical location of NRI

NRI from Emerging Markets (EMs)

(UAE, Africa, etc.)

- ✓ It is advisable to hold a guarded residential house and a shop / office, in case any emergencies or change of plans. It is not advisable to keep raw real estate like urban or agriculture lands.
- ✓ Investment in India should be made with a clear mandate that it can be liquidated and repatriated as fast as possible from remote location and online.

Pre-requisites for NRI investment in India



Pre-requisites for NRI INVESTMENTS IN INDIA

- ✓ PAN Card.
- ✓ NRE or NRO Bank Account.
- ✓ Passport.
- ✓ Overseas Address Proof (Foreign Bank Statement), OCI Card, Driving License.
- ✓ Passport Size Photograph.
- ✓ Tax Identification (TIN) / Tax File (TFN) / Social Security (SSN) / National Insurance or Any other number equivalent which proves Tax Identification of respective country is mandatory, unless not issued by the respective country.

Pre-requisites for NRI INVESTMENTS IN INDIA

- ✓ All the documents are required, in original, for In-Person-Verification (IPV) (except TIN / TFN and photographs).
- ✓ Bank statements (NRE or NRO or Foreign Bank) must not be more than 3 months older for KYC purposes.
- ✓ Total number of photographs are required as per KYC norms of investment option chosen and the same should be as per the Indian Passport size.
- ✓ Aadhaar Card is not mandatory for NRI to Invest in India.
- ✓ Investment through Online Mode cannot be done from Canada & USA.

Message to Investors in India



The reason to invest in India is “4D”
Democracy Demography Demand Decisiveness

Prime Minister Mr. Narendra Modi
to
Global Investors

Disclaimer

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Thank you...

Questions ?



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